

Message Text

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ACTION EUR-12

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FM AMEMBASSY MADRID
TO SECSTATE WASHDC 9093
INFO AMEMBASSY LISBON
AMEMBASSY MOSCOW

C O N F I D E N T I A L MADRID 1413

E.O. 11652: GDS
TAGS: PFOR, UR, SP
SUBJECT: "MOSCOW GOLD"

REF: MADRID 1056

1. VARIOUS NEWSPAPERS AND MAGAZINES HERE HAVE RUN STORIES IN THE LAST FEW DAYS CENTERING ON A STUDY, DONE BY PROFESSOR ANGLE VINAS AT THE SPECIFIC REQUEST OF THE FINANCE MINISTRY BUT BARRED FROM CIRCULATION SINCE ITS COMPLETION LAST NOVEMBER, WHICH REPORTEDLY DEMONSTRATES THAT THE SPANISH GOLD DEPOSITED IN MOSCOW WAS CONVERTED TO DOLLARS AT SPANISH (REPUBLICAN) GOVT DIRECTION AND PROCEEDS USED BY THE GOS, FOR ARMS AND OTHER PRUCHASES.

2. THE STORY BROKE WHEN MADRID'S INFORMACIONES REPORTED THAT NEWSWEEK HAD AN ITEM CLAIMING THE VINAS BOOK MIGHT BE DESTROYED. VINAS, CONTACTED BY REPORTERS, SPOKE FREELY ABOUT THE BOOK'S CONTENTS AND CONCLUSIONS, AND FOLLOWING A MEETING WITH A FINANCE MINISTRY OFFICIAL SAID HE HAD BEEN ASSURED THE BOOK WAS ONLY RETAINED AND WOULD NOT BE DESTROYED.

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3. VINAS, WHOSE WORK DREW ON RECORDS OF THE BANK OF SPAIN (ORIGINAL HOLDER OF THE GOLD) AND OF THE SPANISH FINANCE MINISTRY AS WELL AS DOCUMENTS ORGINATING WITH KEY PARTICIPANTS IN THE TRANSACTIONS AND DELIVERED IN THE 1950'S TO THE FOREIGN MINISTRY, TOLD REPORTERS FLATLY THAT THE SOVIET UNION OWES SPAIN NOTHING. THE "MYTH OF THE MOSCOW GOLD", HE ASSERTED, WAS USED BY THE FRANCO GOVT FIRST TO EXPLAIN AWAY

ECONOMIC DIFFICULTIES IN THE 1940'S AND 50'S AND LATER TO FORESTALL DIPLOMATIC RELATIONS WITH THE SOVIETS. VINAS EXPRESSED IGNORANCE AS TO WHY THE CURRENT GOVT WAS KEEPING THE BOOK UNDER WRAPS, NOTING ONLY THAT THE FOREIGN MINISTRY PROBABLY KNEW THE S REASON. HE ALSO HAD NO EXPLANATION FOR WHY THE SOVIETS HAD NOT COME FORWARD WITH THE FACTS, EXCEPT FOR THE SUGGESTION THAT THEY DO NOT COME OFF TOO WELL IN THE EPISODE, SINCE THEY SOLD THEIR ASSISTANCE FOR SPANISH GOLD RATHER THAN GIVING IT AWAY.

4. NEWS COVERAGE HAS ALSO CITED OTHER RESEARCH, INCLUDING WORK DONE UNDER OFFICIAL AUSPICES WHICH TENDS TO SUPPORT VIANS' FINDINGS. (IT WILL BE REMEMBERED FROM MADRID 1056 THAT THE UNDERSECRETARY OF THE MFA HAS TOLD US THAT THE SOVIETS CITED REPORTS - TWO - FROM OFFICIAL SPANISH FINANCIAL INSTITUTIONS IN SUPPORTING THEIR POSITION.) AT THE SAME TIME, THE EMERGENCE OF THE ISSUES HAS BROUGHT OTHER VIEWS TO THE SURFACE, AMONG THEM THE ASSERTION THAT THE GOLD TRANSFER WAS INTENDED STRICTLY AS A DEPOSIT FOR SAFEKEEPING AND AS A GUARANTEE AGAINST EXPENSES INCURRED, BUT NOT AS AN ACCOUNT TO BE DRAWN AGAINST. A WEEKLY ECONOMIC BULLETIN HAS PUT FORTH THE REPORT THAT "ACCORDING TO SOVIET SOURCES, THE GOLD WAS SPENT PARTLY ON ARMS AND PARTLY TO PAY FOR THE DAMAGE DONE BY THE SPANISH BLUE DIVISION" (WHICH FOUGHT ALONGSIDE THE GERMANS IN THE USSR FOLLOWING THE GERMAN INVASION).

5. THIS ASSERTION OF A UNILATERAL SOVIET DEDUCTION, AND THE EXISTENCE OF OTHER ASSERTIONS OF UNRESOLVED SOVIET CONFIDENTIAL

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OBLIGATIONS, COUPLED WITH THE LONGSTANDING VIGOR AMONG SPANIARDS OF THE "MOSCOW GOLD" IDEA THAT SPAIN IS OWED A VAST SUM OF MONEY, ALL REINFORCE THE ASSUMPTION THAT DESPITE THE APPARENTLY IMPRESSIVE RESEARCH UNDERLYING VINAS' WORK (SOME 500 PAGES PLUS APPENDICES), THE IDEA WILL PERSIST THAT THE USSR OWES SPAIN SOMETHING.

6. THE REVELATION OF VINAS' FINDINGS NEVERTHELESS TENDS TO UNDERCUT THOSE SPANISH CONSERVATIVES WHO (AS VINAS RIGHTLY NOTED) OPPOSED TIES WITH MOSCOW AND TRIED TO USE THE ISSUE TO HEAD THEM OFF, AND IT ALSO PERHAPS EASES THE FOREIGN MINISTRY OFF THE NEVER VERY PROMISING WICKET OF HAVING TO CONVINCE THE SOVIETS THAT SPAIN WAS OWED THE EQUIVALENT OF OVER 500 TONS OF GOLD. NEVERTHELESS, THE GOS IS, AS REPORTED IN MADRID 1056, TECHNICALY RESERVING ITS POSITION. STABLER

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Message Attributes

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Control Number: n/a
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Sent Date: 23-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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